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Chairman: Mr. Nicolescu (Vice-Chairman) ..... (Romania)

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00-23501 (E)

The meeting was called to order at 3.25 p.m.

Agenda item 99: Sustainable development and international economic cooperation (*continued*)

(f) Implementation of the Programme of Action for the Least Developed Countries for the 1990s (A/54/269 and A/54/271; A/C.2/54/3)

1. **Mr. Ricupero** (Secretary-General of the United Nations Conference on Trade and Development) drew attention to the report of the Secretary-General on the state of preparations for the Third United Nations Conference on the Least Developed Countries (A/54/271). The General Assembly had designated him as Secretary-General of the Conference. He, in turn, had designated Ms. Anna Kajumulo Tibaijuka as Executive Secretary of the Conference and Special Coordinator for the Least Developed Countries.

2. The preparatory process had been launched on 20 July 1999 with the first inter-agency consultations convened by the Secretary of the Administrative Committee on Coordination (ACC) for that purpose. Inter-agency cooperation was an essential element for the success of the Conference. The consultations had addressed several issues relating to resource requirements, the measures that should be taken to ensure the success of the preparatory process, the nature of the involvement of civil society in the process, and so on.

3. At the United Nations Development Group meeting held in New York, the organizations of the United Nations system had confirmed their commitment to the preparatory process. Most United Nations agencies had designated senior officials as focal points for the Third Conference. Apart from the consultation mechanism, a Consultative Forum had been established, composed of representatives of organizations of the United Nations system and other international organizations, representatives of the European Union, the Development Assistance Committee, representing the donor community, and representatives of the least developed countries (LDCs), non-governmental organizations (NGOs) and the private sector. The main purpose of the Forum was to promote debate and exchanges of views on the conceptual framework of the Conference, its objectives and the intergovernmental preparatory process. The idea of establishing the Forum had grown out of the recognition that the preparatory processes for previous conferences had been deficient with regard to the involvement of all relevant actors.

4. A note verbale had been sent to the Governments of the LDCs on the initiation of the conference preparatory process at the country level. United Nations Conference on Trade and Development (UNCTAD) staff were currently visiting the capitals of those countries to discuss appropriate arrangements for the process with the competent authorities and local development partners, including United Nations agencies.

5. Consultations had also been initiated with NGOs in order to define their role and involvement in the preparatory process. The liaison committee of European Union development NGOs had agreed to be the convenor of the NGO Forum at the Third Conference and would contact, in addition to its membership network, other NGO networks in other parts of the world to ensure their active participation in the process and in the Conference itself. Special efforts were also being made to secure the active participation of the civil society of the LDCs in the preparations. Similarly, efforts were being made to attract the interest of the business community, and meetings had been held with the International Chamber of Commerce and the International Organization of Employers.

6. In addition to country-level preparations, plans were being made to convene three expert-level meetings, one for English-speaking African LDCs, one for French-speaking African LDCs and LDCs of the Americas and one for Asian and Pacific LDCs. The Government of Ethiopia had offered to host the meeting for English-speaking African LDCs. It was to be hoped that other Governments of LDCs would offer to host the remaining meetings. The organization of those meetings was being carried out in close coordination with the regional commissions, regional development banks and regional intergovernmental organizations.

7. The first meeting of the Intergovernmental Preparatory Committee for the Conference was tentatively scheduled for September 2000. The meeting would have before it the outcome of the expert-level preparatory meetings and the country-level preparatory process; on the basis of those and other inputs, the Committee would prepare the draft assessment of the implementation of the programme of action and the

draft of the national and international policies and measures for the sustainable development of the LDCs and their progressive integration into the global economy.

8. The inter-agency consultations and the first meeting of the Consultative Forum had endorsed the bottom-up approach. The European Union, the World Bank and the United Nations Development Programme (UNDP) had expressed their willingness to support the country-level preparatory process and had advised their field representatives accordingly. In addition, the European Union had granted up to a maximum of ecu 80,000 to facilitate country-level preparations in each LDC. He expressed appreciation to the European Union for its support and, at the same time, appealed to the development partners of the LDCs to make financial contributions to the preparatory process for the Conference. It should be noted that in 1990, when UNCTAD had organized its most recent conference on the LDCs, its resources had been nearly twice the amount currently available.

9. The agenda of the Conference was extremely broad, as the Conference dealt with the sustainable socio-economic development of the LDCs. In order to make progress, however, it was important to identify fundamental priorities, as it would be futile to attempt to solve all the problems at once. Resources should be invested in solving the most crucial problems. A bottom-up participatory approach, with the involvement of all relevant actors, would undoubtedly generate favourable results.

10. It should be recalled that the Conference involved not just UNCTAD, but the United Nations as a whole, and that the participation of the Bretton Woods institutions, the specialized agencies and all stakeholders was vital. It had been confirmed that the World Bank would give the highest priority to the Conference.

11. It was necessary to ensure that the Conference would be different from those that had preceded it. The United Nations system must take an innovative approach, since although two previous conferences on the LDCs had been held, the situation of those countries had not improved, except in a small number of cases. The overall picture was not very encouraging since in recent years some countries which had not been among the least developed had been added to that category.

12. Moreover, most of the countries that were experiencing chronic civil conflicts, or in which acts of genocide or massive human rights violations were proliferating, were in the least developed category. Many LDCs were in a near-permanent state of war and there was a clear link between economic backwardness and symptoms of conflict. All those countries required the attention of the international community. The level of assistance to the LDCs must be increased and UNCTAD was committed to giving priority to the issues involved. The tenth session of UNCTAD would not be separate from the preparations for the Third Conference, but would be part of the same process.

13. At the same time, those were problems that UNCTAD, which was only a coordinating body, could not solve by itself. That would require a genuine network of institutions and, in particular, the support of UNDP, the World Bank and the European Union. The issue was one not only of resources but of method. It was necessary to be more innovative and practical in order to lay the groundwork for achieving the desired objectives. As part of that process, he would devote much of his attention and energy to transforming the Third Conference into a more modern, practical and effective gathering than its predecessors had been.

14. **Mr. Talbot** (Guyana), speaking on behalf of the Group of 77 and China, said it was regrettable that the ambitious objectives of the Second United Nations Conference on the Least Developed Countries, held in 1990, had remained unfulfilled. In many LDCs, economic, social and human conditions had even worsened. That was due to various factors, including globalization and internal conflicts.

15. Most LDCs continued to implement reform and structural adjustment programmes while making many sacrifices. In some LDCs democracy had been consolidated. In others, governments and civil society had striven to promote the social and human development of their people, and had paid special attention to the concerns of women in development. Despite those efforts, however, the objectives envisaged at the Second Conference would be fulfilled only if the LDCs were provided with increased external financial support. Although some donors consistently met their assistance targets, many countries provided less assistance than their resources would allow. In addition, in order to close the financing gap, the Heavily Indebted Poor Countries (HIPC) Debt Initiative should be implemented, as should the

initiative to provide the LDCs with duty-free and quota-free market access.

16. While the LDCs had the primary responsibility for their own development, the international community should help them to achieve it. To that end, the Group of 77 and China called for the formulation and implementation of effective measures to support the LDCs in all areas and foster their integration into the world economy, while respecting their social and cultural identities. In addition, bringing peace to conflict-stricken countries and post-conflict rehabilitation should be a priority of the international community.

17. The Group of 77 and China were looking forward to the Third Conference and welcomed the European Union's offer to host the event. The efforts of UNCTAD, as secretariat for the Conference, to involve governments, United Nations bodies, international organizations, NGOs and the private sector in the preparations for the Conference were to be commended and further encouraged.

18. In conclusion, the Group of 77 and China noted that the Conference secretariat must be endowed with sufficient resources to carry out its challenging mission. They invited the Secretary-General of the United Nations to make every effort to that end.

19. **Mr. Kääriäinen** (Finland), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, said that the European Union's development programme gave priority to the LDCs and that specific mechanisms had been established to meet the specific needs of those countries. The European Union was committed to working with the LDCs and other partners in development to make the Third Conference a success.

20. It was necessary to ensure that globalization and liberalization did not cause further marginalization of the LDCs, but rather promoted their integration into the global economy and the world trading system. As that required the recipient and donor countries and international organizations to coordinate their trade and development policies, the European Union had proposed that a work programme should be formulated for that purpose.

21. It was of paramount importance that the interests and needs of the LDCs should be incorporated into the agendas of conferences at which global trade issues would be discussed, especially the forthcoming Ministerial Meeting of the World Trade Organization (WTO) and the tenth session of UNCTAD (UNCTAD X).

22. The European Union called for a streamlined approach to expedite the process of admission of the LDCs to membership in WTO. The European Union was already committed to granting duty-free access for nearly all products from the LDCs by 2003. However, although trade barriers were being reduced and access to markets was being improved, the development of the LDCs depended first and foremost on appropriate policies.

23. Most LDCs had been unable to attract capital because of inadequate macroeconomic policies and had been unable to overcome their structural deficiencies, especially in the financial sector. The European Union stood ready to help them to strengthen their financial sectors and macroeconomic performance in order to establish a basis for development. Reforms must be politically and socially sustainable and could succeed only if the beneficiary countries participated in formulating them. That was why the LDCs must participate in the Third Conference.

24. One of the main objectives of the European Union's development policy was to promote an environment characterized by respect for human rights, gender equality and democratic principles, the rule of law and good governance. Economic development and peace were closely linked, as demonstrated by the fact that the seven LDCs which had shown no growth in gross domestic product (GDP) from 1990 to 1997 were suffering from armed conflicts. The European Union, which already allocated the bulk of its official development assistance (ODA) to the LDCs, strongly supported the agreed goal of targeting 0.7 per cent of GDP for ODA and, within that goal, targeting 0.15 per cent to 0.20 per cent of GDP for the LDCs.

25. **Mr. Ahmed** (Bangladesh), endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the marginalization of the LDCs had not been arrested, nor had underdevelopment been reversed. Regrettably, the goals of the Programme of Action for the Least Developed Countries for the 1990s remained unmet.

The situation of those countries had not improved and in some cases had worsened.

26. While the LDCs had made efforts to implement the economic and structural reforms undertaken during the 1980s, their economic growth rate during 1990-1997 had been only 3.1 per cent, far lower than what was needed to reduce poverty. They had made limited progress in trade diversification and their share of world exports and imports was very low.

27. The UNCTAD Trade and Development Board had found that the LDCs were receiving an ever smaller share of ODA while continuing to face an exceptionally heavy debt burden. The Board had stressed that in order to promote the economic growth of those countries, their market access must be improved, and that capacity-building was essential if they were to become integrated into the world economy. Furthermore, the agreed ODA targets had not been met. On the contrary, assistance had declined and private capital flows, which had been suggested as an alternative, were insufficient to help the LDCs.

28. The LDCs were making many sacrifices to meet their debt-servicing obligations, as they were using resources that could have been invested in the social sectors. In addition, their share of global trade had declined, although in order to promote development, it was essential that they should have greater access to markets and increase their exports. While the LDCs themselves were primarily responsible for achieving development, the international community must help them by implementing the Programme of Action. The Bangladeshi delegation was looking forward with interest to the Third Conference to be held in 2001. The preparatory process for the Conference, including the WTO Ministerial Meeting and UNCTAD X, should take the development concerns of the LDCs fully into account.

29. **Mr. Awesso** (Togo) endorsed the statement made by the representative of Guyana on behalf of the Group of 77 and China and noted that, at the dawn of a new millennium, the LDCs lagged far behind other countries. As the Secretary-General had pointed out in his report on the implementation of the Programme of Action (A/54/269), most of the LDCs had not made sufficient progress towards achieving the goals of the Programme of Action. From 1990 to 1997, for example, the average annual rate of growth of the LDCs as a whole had been only 3.1 per cent and the average annual rate of GDP growth had been 0.5 per cent.

30. The fragile economies of the LDCs had been affected by austerity measures, the steady decline in ODA, the unsustainable debt burden, falling prices for their products and the drop in agricultural output due to bad weather. In addition, their serious socio-economic situation had worsened because of globalization. It was clear that the LDCs, most of which were in Africa, did not have the requisite capacity to overcome the difficulties they faced and that, accordingly, the international community should assist them.

31. His country, which was one of the LDCs, was going through very difficult times. His Government had begun to request funds in order to finance its development plans and programmes. With support from UNDP, it was preparing for two donor conferences, one on the private sector and the other on poverty eradication. His delegation called on all development partners to contribute to the success of those two conferences. Moreover, it reiterated the appeal which it had made in the general debate for the international community to resume cooperation with Togo in order to promote human rights, sustainable development and poverty eradication throughout the country.

32. His delegation welcomed the General Assembly's decision to fund the participation of two representatives of each of the LDCs in the work of the Preparatory Committee for the Third Conference and in the Conference itself; that would give the LDCs an opportunity to take steps to promote their sustainable development.

33. Owing to the increase in poverty around the world, it was urgent for the international community to provide greater financial assistance to the LDCs, help them to fulfil their debt-servicing obligations and take steps to promote their access to markets. The international community should pay special attention to development issues in the LDCs so that, little by little, the concept of "least developed" would fade from memory.

34. **Ms. Phonseya** (Lao People's Democratic Republic), after endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the Declaration and Programme of Action adopted at the Second Conference had been a reflection of the political will and readiness of the international community to address the economic and

social problems of the LDCs. While those countries had managed with great effort to improve their economic performance, the objectives of the Programme of Action had yet to be realized.

35. The LDCs continued to be marginalized in global economic activities, ODA had declined substantially and the external debt burden had reached alarming proportions, while foreign direct investment (FDI) and exports and imports had been reduced. In order to overcome those difficulties, the LDCs needed international support; it was essential for the developed countries to meet their ODA commitments of 0.7 per cent of GDP and for creditors to consider writing off the external debt of the LDCs. Her delegation looked forward with interest to the outcome of the WTO Ministerial Meeting, to be held in Seattle in 1999, and to UNCTAD X, to be held in Bangkok in 2000.

36. Her country, which was both a landlocked and a least developed country, had not been spared those challenges. Her Government had made tremendous efforts to implement the Paris Declaration and Programme of Action with a view to ridding the country of its least developed status by 2020. To that end, it had pursued an economic reform policy, focusing on the implementation of several priority programmes, including food production, rural development, foreign trade expansion and human resources and services development. As a result, GDP had grown at a rate of over 6 per cent for the past 10 years. In the past two years, however, the Asian financial crisis had strongly affected the country, and her Government had been compelled to adopt such measures as import restrictions, budget cuts, and so on — although her country continued to enjoy stability and social harmony.

37. It was important to begin early preparations at the national, regional and international levels for the Third Conference, to be held in 2001. If the Conference was to be successful, all stakeholders must participate actively in the preparatory process: the LDCs, their development partners, the private sector and the relevant multilateral institutions, including UNDP, UNCTAD, WTO, the International Monetary Fund (IMF) and the World Bank. Her country, meanwhile, would do its utmost to ensure that the Conference had a fruitful outcome.

38. **Mr. Tomseth** (United States of America) said that it was necessary to adopt a comprehensive and integrated approach to addressing the critical needs of the LDCs. The international community had a clear interest in assisting those countries' efforts to develop their economies and improve the living conditions of their citizens; to that end, it was necessary to focus on the fundamental needs of people and utilize the lessons of the past, so as not to repeat mistakes. Methods must be used that created conditions in which people could take political and economic initiatives to better their lives. To that end, two basic tasks must be completed.

39. First, developing countries must offer their citizens stable economic and social structures conducive to development; it was therefore necessary to help those countries to promote social investment, good governance and democratic institutions. National anti-corruption strategies were a commendable step in that direction.

40. Second, the key to growth was the adoption of strategies based on a comprehensive view of human needs. Growth must be broadly based so that it could increase household incomes and enhance food security. It must also provide governments with sufficient revenue to maintain the infrastructure necessary for a stable society, including education, health and other social services. In that context, his country was working with LDCs around the world to deliver health care, including family planning, child survival and HIV/AIDS prevention programmes.

41. Expanded and improved basic education contributed to sustainable development in many ways: faster and more equitable economic growth; reduction in the incidence of poverty; and the growth of democracy and civil liberties. Special emphasis must be given to the education of girls and women, which would enable them to play a role in production and income generation.

42. The debt burden continued to jeopardize growth in many LDCs. Accordingly, in addition to the commitments made under the Cologne debt initiative for enhanced HIPC relief, President Clinton was seeking to forgive 100 per cent of the official bilateral debt owed to the United States by the poorest, most heavily indebted countries. The President's initiative provided for those funds to be dedicated to programmes to reduce poverty and meet basic human needs. An effort must be made to ensure that the most vulnerable were not left behind and that they shared in the benefits of globalization and technological

progress. UNCTAD had an important role to play in realizing an integrated vision of development and in the evolution of a global economy that provided opportunity for all.

43. In an increasingly interdependent world, each nation's prosperity depended on the economic and social well-being of the entire world. His Government was committed to working with the LDCs to foster economic growth, build democratic institutions and offer their citizens a better future.

44. **Mr. Shihab** (Maldives) said that, 30 years after the LDC category had gained recognition, 18 years after the First United Nations Conference on the Least Developed Countries and nine years after the Second Conference, only one State had succeeded in manoeuvring out of that category. In the past decade the number of LDCs had increased from 42 to 48 and the continuing ebb in ODA, together with the increasing marginalization of the LDCs in global trade, was contributing to the deterioration of the socio-economic situation in those countries. His delegation hoped that the Third Conference would draw on the lessons learned from the Programme of Action for the 1990s so that the new programme would bring tangible benefits to the LDCs through a true partnership between them and their development partners.

45. His Government was concerned at the recommendation by the Committee for Development Policy that his country should graduate from the LDC category. Premature graduation from that category would hurt his country by throttling its access to preferential treatment in international trade, concessional financing and foreign aid, on which its economy and social development depended. In a year or two his country would be relegated to the bottom ranks of the LDC category.

46. It should be noted that, in response to a letter from his country's President to the President of the Economic and Social Council, the Council had decided to postpone consideration of the LDC status of Maldives until the Committee for Development Policy had completed its review of the usefulness of a vulnerability index as a criterion in that context. That process was nearing completion, and UNCTAD, at the request of the Committee for Development Policy, was ready to prepare "vulnerability profiles" for the LDCs. On the one hand, that was good news, since it made it possible to reconsider the status of Maldives, but on the other hand, the country profiles should include a thorough evaluation of economic vulnerability, ecological fragility, the cost of graduation and the impact of international trends, such as trade liberalization, on the countries in question. In addition, UNCTAD was undertaking to prepare the vulnerability profiles without consulting the governments or experts of the countries concerned. It was essential for the vulnerability profiles to be undertaken in an objective but transparent manner. In his delegation's view, it was virtually impossible for foreign experts, who lacked first-hand knowledge of the countries in question, to reflect accurately the full gamut of vulnerabilities which those States faced without consulting the local authorities.

47. Such lack of communication had been the cause of the high scores which his country had received during the most recent triennial review of the LDC category. His country's high dependence on imports obscured the real state of its economy. Accordingly, while GDP per capita was high, purchasing power parity was comparable to that of countries whose GDP was well below the graduation threshold. A vulnerability and poverty assessment undertaken by his Government in cooperation with UNDP had revealed that about 22 per cent of the population lived on less than $1 a day and that 44 per cent had daily incomes of slightly over $1. In that context, purchasing power parity would have given a more realistic picture of the country's level of economic development than GDP per capita, a factor that might have been pointed out if consultations had been held between the Committee for Development Policy and his Government.

48. His delegation also had doubts about the accuracy of the information on which the triennial reviews of the Committee for Development Policy were based. While the triennial review had considered the average calorie intake to be high, the vulnerability and poverty assessment referred to earlier had indicated that the nutritional situation in his country was worse than that of sub-Saharan Africa. His country's economy was based on two industries: tourism and, to a lesser extent, fishing. The other industries depended on those two, so that a disruption in one of them would have a domino effect on the rest. As an example of the inaccuracy of the information used, mention could be made of a paper prepared by UNCTAD which had identified fish, olives and citrus fruits as his country's three leading

exports. While it was true that fish was exported, neither citrus fruits nor olives had ever been exported.

49. In order for the Committee and UNCTAD to avoid making a serious mistake, his Government advised them to hold consultations with the countries whose graduation from the LDC category had been recommended, and to continue holding such consultations in the future with other countries in a similar situation. If those involved in assessing the LDCs and preparing the vulnerability profiles took advantage of local experience through consultations with the countries concerned, they could avoid controversies in that area.

50. **Mr. Dogani** (United Republic of Tanzania), after endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the development problems of the LDCs had remained high on the agenda of the United Nations since the adoption of the Declaration and Programme of Action, although little progress had been made in resolving those problems. In an era characterized by economic globalization and trade liberalization, the LDCs were being increasingly marginalized, and the hope that had emanated from the commitments made during the preparation of the Programme of Action had been evaporating.

51. ODA had been declining since 1995 and assistance to the LDCs had dropped from $16 billion in 1990 to $13.5 billion in 1997. Among the donor countries that were members of the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee, ODA had fallen from 0.33 per cent of the combined GDP of those countries in 1992 to 0.22 per cent in 1997, the lowest rate recorded since 1970, when the United Nations had adopted the 0.7 per cent ODA target. At the same time, private capital flows to the LDCs had not been forthcoming. While private investment in developing countries had been increasing, only 1 per cent of foreign direct investment had been directed to the LDCs. On the other hand, the external debt continued to hinder the development efforts of those countries. Scheduled debt payments absorbed a third of their export earnings, thus exceeding their capacity to pay.

52. It was sad to recognize that the capacity of the LDCs to generate more income through exports was being weakened by declining world commodity prices, and that it was happening at a time when the LDCs were pursuing structural adjustments requiring a massive infusion of financial resources.

53. As a result of that situation, the economic growth and sustainability of the LDCs had been impaired. It was therefore imperative for the international community to undertake concerted action to redress and reverse that trend as soon as possible.

54. His delegation welcomed the various initiatives aimed at extricating the LDCs from underdevelopment. The HIPC Debt Initiative and the updating of that initiative in the framework of the G-8 Summit held in Cologne, Germany, offered hope that the debt problem could be resolved; however, much remained to be done to ensure that the initiative accommodated a larger number of qualifying countries.

55. His delegation wished to see measures being taken to increase the participation of the LDCs in global trade in order to prevent their growing marginalization. In that regard, it looked forward to the outcome of the WTO Ministerial Meeting, to be held in November 1999, and to UNCTAD X, to be held in 2000.

56. The United Nations should continue to play a leading role in coordinating the development activities of developing countries, especially the LDCs. In that regard, his delegation took note with satisfaction of the Secretary-General's report on the preparations for the Third Conference (A/54/271); it was to be hoped that the Conference would take stock of the implementation of international support measures for the LDCs during the 1990s.

57. **Ms. Oh Young-ju** (Republic of Korea) said that sustainable development for the LDCs remained a top priority in the international community's pursuit of long-term growth in all corners of the globe. Despite overall improvements in their economic performance in recent years, many LDCs faced uncertainty with regard to sustaining that momentum in the following decade.

58. The difficulties facing the LDCs were multidimensional and were often rooted in insufficient economic, institutional and human resource capacity. Vulnerability to external shocks, political instability and natural disasters could compound those difficulties. Rapid globalization accelerated the marginalization of some LDCs in the world economy and, in many cases, the LDCs lacked the necessary capacity to overcome the problems arising from globalization.

59. Her delegation believed that the principles of shared responsibility and strengthened partnership embodied in the Programme of Action were still valid in tackling the challenges those countries faced. Without doubt, the LDCs should continue to do their part for their own development, particularly by undertaking macroeconomic and structural reforms, which in many of those countries had led to improvements in economic performance; however, it remained the responsibility of the international community to integrate the LDCs into the global economy by supporting their domestic efforts. Her delegation welcomed the various international measures adopted to that end, such as the Comprehensive and Integrated Plan of Action for the Least Developed Countries adopted by WTO in 1996.

60. In an effort to match those initiatives, her Government was considering the introduction of the Generalized System of Preferences scheme for the leading export products of the LDCs. Her Government also believed that the necessary measures for the LDCs should be adopted at the forthcoming WTO Ministerial Meeting to be held in Seattle.

61. Her delegation expressed support for the Third Conference scheduled to be held in the first half of 2001. It was to be hoped that the Conference would make a positive assessment of achievements in the 1990s and that effective strategies would be presented for dealing with the issues facing the LDCs in the first decade of the next millennium. In that regard, her delegation was of the view that the country-level preparations would constitute building blocks for the success of the Conference.

62. **Mr. Kebede** (Ethiopia), after expressing support for the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the international community had adopted the Paris Declaration and the Programme of Action in 1990 with the aim of revitalizing the overall development of the LDCs. Further commitments had been made to support the development efforts of those countries at all the global conferences held in the 1990s. The international community, particularly the developed countries, had made a commitment to substantially support the LDCs in their efforts to utilize their human resources and ensure sustainable growth and development. Nevertheless, it had been made clear that the implementation of the Programme of Action had not produced the results envisaged. The socio-economic situation of the LDCs remained precarious and the inherent structural weakness of their economies had not been overcome, which put them in a weak competitive position in the current globalized economy.

63. That unacceptable trend had not resulted from a lack of interest on the part of the LDCs, since most of them had embarked on a process of structural adjustment and wide-ranging reforms, often in partnership with the international financial institutions and within an internationally agreed framework. An objective assessment of the situation showed that the weakness of the LDCs was due mostly to the international community's failure to meet its commitments in the areas of ODA and effective solutions to the debt crisis. The lack of investment flows and unfavourable trading arrangements had also played a role.

64. Instead of providing the LDCs with an ever-increasing volume of external resources and meeting the agreed ODA targets, donor assistance had fallen to historically low levels. His delegation therefore called upon those development partners which had not honoured their commitments to increase their assistance with a view to reaching the agreed target so as to give the LDCs a realistic opportunity to become integrated into the world economy.

65. The external financing situation of the LDCs had worsened substantially in the 1990s as a result of the heavy burden of debt and debt servicing. The debt overhang not only limited their development efforts but also undermined their credibility in terms of mobilizing external resource flows. Without immediate debt cancellation, the development prospects of the LDCs would continue to be bleak. In that regard, his delegation supported the Declaration adopted at the Ninth Ministerial Meeting of the LDCs, which called on all creditor countries and institutions to cancel expeditiously all outstanding debt owed by the LDCs.

66. His delegation believed that international trade liberalization within the framework of WTO was a powerful force for promoting development. It noted with great concern, however, that the benefits of the new international trading system continued to elude the LDCs. Sufficient progress had not yet been made towards full liberalization in sectors of particular interest to those countries, and significant imbalances existed between rights and obligations in the multilateral trade agreements. The LDCs continued to

face high tariffs in key sectors, such as textiles and agriculture. In addition, the problems inherent in various Generalized System of Preferences schemes and other unilateral trade preferences had constrained the ability of the LDCs to continue benefiting from the new international trading system. His delegation therefore called on the preference-granting countries to expand their product coverage and remove quotas, ceilings and all non-tariff barriers for commodity exports from the LDCs. In implementing the existing multilateral trade agreements and in future negotiations, the international community should ensure that the obligations placed on the LDCs were consistent with their level of development and capacity to carry out such obligations.

67. The Third Conference would again provide an opportunity for the LDCs and their development partners to renew their commitments. The Conference must lead to the adoption of effective measures on the basis of the principles of shared responsibility and genuine solidarity in order to arrest the continued marginalization of the LDCs. The Conference should not be viewed as just another event, but should result in feasible, tangible, measurable and action-oriented commitments. The results of the Conference should be reconciled with the conclusions and plans of action of recent United Nations conferences and their respective evaluation exercises.

68. **Mr. Sun** (Cambodia), after supporting the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that his country attached great importance to development issues and activities on behalf of the LDCs. By adopting the Declaration and Programme of Action at the Paris Conference held in September 1990, the international community had committed itself to provide those countries with support in solving their macroeconomic and structural reform problems and revitalizing their development processes. The Programme of Action laid stress on the measures which the international community should adopt to avoid a decline in the socio-economic conditions of the LDCs in the 1990s. In spite of those commitments, however, the necessary progress had not been made in realizing the overall objectives of the Programme of Action.

69. At the global level, many developing countries had continued to register poor economic growth despite the initiatives undertaken to reform their economies. The situation was more critical for the LDCs, which were facing numerous other problems resulting from their own domestic, geographical and other difficulties, aggravated by the deterioration of the economic situation owing to the internal and external environment and by the devastating impact of diseases such as HIV/AIDS, malaria and tuberculosis. In addition, the decline in ODA and the external debt burden hampered those countries' efforts to reform and reactivate their economies.

70. On the threshold of the new millennium, it was imperative that the international community, particularly the developed countries, should focus their attention on assisting the LDCs. His country reiterated its support for the international efforts to reduce the burden of the heavily indebted poor countries, and welcomed the Cologne initiative adopted by the G-8 countries, which was designed to reduce the debt burden of the LDCs more rapidly.

71. His delegation welcomed the European Union's generous offer to host the Third Conference, to be held in Brussels in 2001, and hoped that the Conference would provide an opportunity to review and assess the outcome so that concrete measures could be adopted to resolve the relevant issues from a long-term standpoint.

72. His Government had made efforts to promote its development policy. To that end, in 1994 it had launched a national programme for the rehabilitation and development of Cambodia, setting out long-term development goals and identifying operational priorities in various key areas; those included strengthening the rule of law, improving public-sector management, including health care and educational services, promoting rural development, combating poverty, restructuring the economy, investing in infrastructure and integrating the economy into the regional and global economy. With the formation of a new coalition Government, his country was taking firm steps towards energetic growth, with a well-formulated action agenda. The reforms undertaken had contributed to the achievement of 4 per cent GDP growth in 1999 with low inflation and a stable exchange rate, as compared with the 1 per cent GDP growth achieved the year before.

73. His Government intended to achieve 6 per cent GDP growth, lower the inflation rate to 4 per cent and maintain the external current account deficit at 13 per cent of GDP. In that connection, his delegation expressed gratitude to the donor community for its

crucial role in providing general assistance to Cambodia through its various programmes and activities.

74. **Mr. Adhikari** (Nepal), after endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that with the advancement of information technology, the world had been turned into a global village, and States' prospects for self-development had increased tremendously. Nevertheless, the widening gulf between developed and developing countries continued to be of serious concern to the international community; while the emerging trends of globalization and liberalization had significantly broadened the opportunities for trade, investment and prosperity in some countries, most developing countries seemed to be entering the new millennium with insufficient resources to meet their minimum socio-economic goals.

75. While the commitments made by the international community at various major United Nations conferences had raised hopes in the LDCs, the ever-increasing problems of poverty, hunger and disease, together with the low rates of foreign direct investment and dwindling ODA to the LDCs, had significantly undermined poverty eradication efforts in those countries. In that context, it was natural to call upon bilateral or multilateral development partners to live up to their promises with respect to ODA and to encourage foreign direct investment in the LDCs.

76. His country was currently implementing its ninth five-year plan with the sole objective of eradicating poverty, based, *inter alia*, on decentralization, institutional capacity-building, women's empowerment, agricultural development and rural industrialization. The ninth five-year plan embodied the goal of reducing the country's absolute poverty rate from the current 42 per cent to 10 per cent in 20 years, despite the existing challenges, which included the country's difficult topography, population dispersal and landlocked condition, as well as monsoons, floods, erosion and other natural disasters. His country could hardly cope with all those threats on its own, and was therefore counting on the cooperation of its development partners.

77. His delegation took note of the Cologne initiative to reduce the debt of the heavily indebted poor countries which was aimed at narrowing the gap between richer and poor countries; it believed, however, that all the LDCs, without exception, should benefit from the initiative. In that connection, his delegation welcomed the recent initiative of the Bretton Woods institutions to reorient the Enhanced Structural Adjustment Facility towards growth and poverty reduction.

78. His delegation looked forward eagerly to the outcome of the Third Conference, which would be the appropriate forum for evaluating international cooperation in the framework of the Programme of Action, and recommended the adoption of further practical and effective measures relating to the problems of those countries, with a view to mainstreaming their economies into the world economy as part of a global trading regime.

79. **Mr. Tiendrebeogo** (Burkina Faso) said that the implementation of the Programme of Action was a topic of great importance to his country; in that connection, he associated himself with the statement made by the delegation of Guyana, on behalf of the Group of 77 and China, and with the statement made by the delegation of Bangladesh.

80. At the dawn of the third millennium, which would undoubtedly be characterized by an unprecedented technological revolution, there were many parts of the world where such terms as "computer", "information technology" and "Internet" were hardly known, and perhaps would not be known for a long time. For example, in sub-Saharan Africa, connections to the Internet accounted for only 0.1 per cent of the global connection rate. In that region all efforts would be directed towards meeting basic needs for food, health care, safe drinking water and education, among other things.

81. That was the prospect facing many developing countries and, unfortunately, the picture was usually darker in the LDCs. While that had already been true 10 years earlier, when the Programme of Action had been adopted, those countries' development problems were now more pressing than ever and were being further aggravated by the processes of globalization and liberalization.

82. Despite the efforts made by the LDCs through the introduction of macroeconomic reforms, structural adjustment and political reforms, which had brought them some positive results, other factors — such as the decline in ODA, the debt burden, meagre financial

flows and the lack of trade diversification — were reflected in accelerated marginalization.

83. The international community could not enter the third millennium without solving the problem of the 48 LDCs, as that would have adverse consequences. The Third Conference would be the ideal framework in which to endeavour to bring those countries into the world economy.

84. The principles of shared responsibility and partnership on which the Programme of Action and the Paris Declaration were based must be reaffirmed, and above all, given real and tangible content on the basis of the priorities set by the beneficiaries themselves. In any event, the main goal of the next decade should be to eliminate extreme poverty in the LDCs.

85. There could be no doubt about the commitment of the LDCs to their own development; the Declaration adopted by the ministers of those countries at their ninth annual meeting (A/C.2/54/3), which demonstrated a clear awareness that they had primary responsibility for creating the internal conditions conducive to their own development, was proof of that. Nevertheless, assistance from the international community was indispensable. His delegation expressed appreciation to the United Nations system for the special attention paid by its organizations to the specific needs of the LDCs; while it understood the tremendous budgetary constraints in place, emphasis should be given to building the human and financial capacity of those countries, and all pessimism and defeatism should be abandoned, so that those countries could be extricated from underdevelopment.

86. **Mr. Kasanda** (Zambia), after associating himself with the statement made by the delegation of Guyana on behalf of the Group of 77 and China, said that globalization and liberalization had brought with them social and economic challenges for the LDCs. In order to address those challenges, the LDCs had continued to implement far-reaching political and economic reforms in the 1990s. While there had been encouraging signs of positive macroeconomic results, the persistence of widespread poverty had demonstrated the fragility and vulnerability of economic structures, as well as other circumstances that impeded sustainable development in the LDCs.

87. The debt crisis had crippled the economies of many LDCs. In addition, ODA, which played such an important role in reviving the economies of the LDCs and reducing poverty, had declined steadily. Development partners should fulfil the agreed ODA targets for developing countries and the LDCs. His delegation was convinced that, in spite of everything, the international community could do much more to help the LDCs revive their economies and move along the path towards sustainable development and growth.

88. The developed countries and the aid agencies should adjust their ODA policy to make it more responsive to the specific needs of recipient countries. Approaches were needed that were more innovative and flexible, but focused on achieving the goals envisaged.

89. In order to resuscitate the economy, his Government had, *inter alia*, instituted measures aimed at strengthening the private sector with a view to maximizing its contribution to the overall development of the country. However, because locally generated resources had not been sufficient to back his Government's strategies centred on the private sector, the country's economy still required substantial external assistance to satisfy its resource requirements.

90. At the same time, the country's LDC status meant that it received mainly non-reimbursable grants, International Development Association (IDA) credits and other, similar forms of highly concessional assistance. Such assistance, however, should be used to address basic needs in the social sectors and could not be used to supplement the capital requirements of the private sector. It was ironic that the private sector itself, which was expected to become the engine of growth, had no direct access to ODA, which was the main type of funding that the country needed for its development. Such a dilemma was one of the reasons why his delegation wished to see greater flexibility and innovation in the provision of ODA to the LDCs. Concessional assistance could be restructured without necessarily having to compromise the principle of meeting basic human needs.

91. **Mr. Kondo** (Japan) said that his delegation had taken note of the Declaration adopted at the Ninth Ministerial Meeting of the LDCs. In agreed conclusion 457 (XLVI), adopted by the Trade and Development Board at its forty-sixth session, note had been taken of the structural weaknesses affecting production capacity and competitiveness in the LDCs, including deficiencies in physical infrastructure, a low level of

human resources development and resources insufficient to address major investment needs.

92. His Government wished to continue to enhance the creation of opportunities for the LDCs and to assist them in becoming integrated into the multilateral trading system. He also recalled the Tokyo Agenda for Action on African development, which stated that the LDCs had a primary responsibility to eliminate or reduce supply-side constraints.

93. His Government attached great importance to the Third Conference and was prepared to collaborate closely with the Office of the Special Coordinator for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. On the other hand, it was disappointing that the Trade and Development Board had not received the report on the implementation of the Programme of Action on time, as that report had been expected to serve as a basis for its discussions. It was clear that the Office should be strengthened so that it would operate successfully and contribute to the preparatory process for the Conference. In that regard, his delegation expressed appreciation to the European Union for its generous support of that process.

94. If the LDCs were to be integrated into the multilateral trading system, it was essential to enhance and improve trade-related technical cooperation and to continue to promote coordination and coherence among agencies, programme countries and donors involved in the implementation of the Integrated Framework for Trade-Related Technical Assistance Activities.

95. **Mr. Aho-Glele** (Benin), after endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the LDCs remained in the grip of the structural and multidimensional phenomenon that was poverty. Despite the goals set in the Programme of Action and the efforts and sacrifices made by those countries, their situation was ever more alarming in comparison with that of other developing countries. The number of countries in the LDC category had increased from 42 to 48 during the 1990s.

96. While the international community had pledged to implement the Programme of Action in accordance with the principle of shared responsibility and collaboration, and to increase substantially its assistance to the LDCs, the assistance provided did not take into account those countries' priorities, as it was earmarked for categories chosen by the donors. For example, it was of little use to grant trade preferences in order to increase market access for the LDCs when they continued to lack production capacity. Clearly, measures must first be adopted to enhance the capacity of the factors of production, namely, land, capital, labour and know-how.

97. His delegation welcomed the fact that the developed countries had decided to allocate 0.15 per cent of their GDP to ODA. It congratulated the countries which had attained that goal and requested them to stay on track. His delegation believed that assistance should be allocated to the priority programmes of the LDCs and to promoting technical cooperation among developing countries. It was to be hoped that the Third Conference would take into account the interests of those countries and stimulate the reforms needed to extricate them from the serious situation in which they were mired.

98. **Mr. Hønnigstad** (Norway) said that, 10 years after the adoption of the Programme of Action, the economies of the LDCs had not improved substantially. It was necessary, therefore, for the international community to cooperate closely with the LDCs in order to assist them in implementing sound macroeconomic management policies, promote transparency and good governance, combat corruption, and promote human rights so that they could attain political stability and economic development. The LDCs must break out of the vicious circle of civil strife, underdevelopment and marginalization; to that end, they needed ODA.

99. It was regrettable, therefore, that so few countries had reached the agreed ODA target, and that even fewer had reached the target of allocating more than 0.2 per cent of GDP to the LDCs. The North must increase official development assistance to the South. His Government aimed, therefore, to increase its development assistance from its current level of 0.9 per cent of GDP. Moreover, the available development resources should be used more efficiently, for instance, through the delinking of development assistance to the fulfilment of certain conditions.

100. The debt burden was one of the major obstacles to economic and social development in the LDCs. For that reason, his Government, which had formulated a debt relief strategy, welcomed the decisions taken by the Bretton Woods institutions to provide broader debt relief for the heavily indebted poor countries. It was

critical to secure sufficient funding for that initiative; all actors, including the G-7 countries, must contribute in accordance with a reasonable and transparent formula.

101. It was a matter of great concern that those countries' share of world trade was so low and that their export income was so vulnerable to external shocks. His delegation believed that, in addition to facilitating market access for the LDCs, it was necessary to provide them with trade-related technical assistance. Accordingly, the relevant United Nations bodies should cooperate closely with WTO in that area. It was evident that the LDCs needed a favourable international climate in order to adapt to the new global economy, and that strategies such as the one developed by his country should be implemented in support of the private sector in those countries.

102. His delegation attached great importance to the preparatory process for the Third Conference, in which UNCTAD would play a crucial role. It was also crucial, however, for other United Nations bodies and, of course, the countries concerned, to participate in the process.

103. **Mr. Murat** (Haiti) expressed support for the statement made by the representative of Guyana on behalf of the Group of 77 and China, and said that the Programme of Action had been a measure of the seriousness of the problems of many countries on the periphery of world trade. It had also provided an opportunity to adopt measures aimed at avoiding the deterioration of living conditions in those countries.

104. His country attached special importance to the Third Conference and believed that, in order for the Conference to be successful, all bodies and organizations of the United Nations system should be mobilized for active participation in the various preparatory meetings and in the Conference itself. For their part, the regional organizations and the bilateral and multilateral partners of the LDCs should support the Conference secretariat by placing at its disposal the financial and technical resources that it needed. It was very important for the LDCs to make a contribution to the Conference preparatory process. His delegation welcomed the Secretary-General's statement that such participation could be supported through extrabudgetary resources.

105. The serious problems facing the LDCs, such as the fact that the flow of development assistance was dwindling significantly, were a matter of concern. The appeal of those countries for increased development assistance was an act of faith in international solidarity, a prerequisite for their integration into the global economy. Another serious problem was the debt burden. His delegation proposed that, in addition to debt relief for all the LDCs, the conditions of the HIPC Debt Initiative should be made less stringent.

106. Economic globalization and liberalization had had a serious impact on the LDCs; those countries had encountered serious difficulties in becoming integrated into international trade. Despite their accession to various trade agreements, their share of world trade was shrinking. There was a need to change a system of management which prevented the equitable sharing of the costs and benefits of globalization and to conduct an honest and objective evaluation of development problems so as to meet the needs of the poor countries.

107. While the situation of the LDCs was due largely to factors inherent in their system of management, the negative impact on those countries of external factors, such as the deterioration in the terms of trade and the weakening of tariff preferences, must not be overlooked. It was to be hoped that the need for the poor countries to participate more actively in international trade would be taken into account in the next round of trade negotiations to be held in the framework of WTO. In that context, it was essential for those countries to be provided with technical assistance in order to bolster their negotiating capacity.

108. **Mr. Avramenko** (Russian Federation) said that during the 1990s the LDCs had not prospered to the extent envisaged. Progress had, of course, been made, but it could not be considered sufficient. The LDCs had faced adverse circumstances, including natural disasters, falling commodity prices, a difficult economic climate and the impact of globalization.

109. There could be no doubt that the LDCs needed the assistance of the international community to supplement their development efforts. Those countries needed to diversify their economies, so as to reduce their vulnerability and endeavour to attract foreign investment, make an effort in the field of education and human resources development, and establish favourable policies.

110. At a recent seminar held with the trade ministers of the LDCs, it had been explained that the promises of assistance to those countries had not been translated

into practice, and that it had not been possible to carry out the policies and programmes envisaged; that had sometimes led to very negative results. At the seminar, emphasis had been placed on the need to promote the integration of those countries into the world economy and their full access to markets. Stress had also been laid on the need to promote export sectors and establish the infrastructure needed to improve productivity and competitiveness.

111. In order to contribute to alleviating the situation of the LDCs, it was necessary to increase ODA to those countries and adopt measures to reduce their external debt. The General Assembly had approved the holding of the Third Conference, in which the results of the implementation of the Declaration and Programme of Action for those countries would be assessed and factors including debt, trade, national and international policies and measures for contributing to the sustainable development of the LDCs would be considered.

112. **Mr. Zhu Guangyao** (China) expressed concern at the serious economic difficulties of the LDCs. In recent years, as a result of falling commodity prices, the decline in ODA and the debt burden, as well as the impact of the financial crisis, the economic performance of the LDCs had not improved, and the processes of globalization and liberalization had not only not been beneficial, but had increased the danger of marginalization of the LDCs.

113. The international community, especially the United Nations, had held meetings on the issue of the LDCs and had developed programmes and plans of action; however, in the last year of the 1990s, it was clear that words had not been translated into action and that the goals had not been met. It was almost certain that the Programme of Action would not be fully implemented.

114. Nevertheless, his delegation was hopeful that a programme of action would be elaborated at the Third Conference that would give a new impetus to international cooperation to assist the LDCs. The developed countries should re-evaluate their policies in the light of globalization and the current conditions of the LDCs and turn their concern for the LDCs into effective action.

115. In the field of trade, the international community should energetically support capacity-building in the LDCs through technical cooperation, including support for the reform of import-export regimes, the establishment of trade information networks, the enhancement of export capacity and the diversification of commodities — areas in which WTO, UNCTAD, the international trade centres and the various regional economic institutions had an important role to play. In addition, the LDCs should be given better market access, and a transparent, effective commodity price-setting mechanism should be established; the erosion of trade preferences and the existence of numerous tariff and non-tariff barriers should be dealt with; the new round of multilateral trade negotiations should be utilized to liberalize trade in agricultural products, which were of vital importance to the LDCs; and efforts should be made to promote the implementation of the Textiles and Garment Agreement.

116. Since the reduction in ODA and the heavy debt burden were two of the main problems of the LDCs, the developed countries must increase their technical and financial assistance without tying it to political conditions, and the United Nations should expand financing options and provide as much assistance as possible to those countries. At the same time, his delegation welcomed the new commitments made by the creditor States and the international institutions concerned, which were aimed at providing debt relief to the heavily indebted poor countries — commitments that should be fulfilled in a timely manner.

117. His country's per capita income was slightly over $700. China was a developing country in which over 50 million people were living in absolute poverty. Even with its limited financial resources, his Government had provided bilateral technical and economic assistance to many developing countries, especially the LDCs. The assistance provided to those countries now exceeded $2 billion and covered over 1,000 projects. Within its capacity, his Government would continue to offer assistance to the LDCs.

118. **Mr. Kiwanuka** (Uganda), after endorsing the statement made on behalf of the Group of 77 and China, said that the requisite progress had not been made in most of the LDCs in the 1990s in realizing the overall objectives of the Paris Declaration and Programme of Action. In addition, the LDCs were facing new challenges in adjusting to a more competitive international environment as a result of globalization, liberalization and rapid advances in science and technology. It was not surprising,

therefore, that the number of LDCs had increased and not decreased.

119. Those countries' share of world trade, which had grown substantially since the Uruguay Round, had declined from 0.8 per cent in 1975 to 0.4 per cent in 1997. The GDP of those countries had increased by 4.7 per cent in 1997, as compared with 5.1 per cent and 6.2 per cent in 1995 and 1996, respectively. That situation had been aggravated by the continuing decline in ODA, slow progress in diversification, falling commodity prices, the debt overhang and insufficient access to capital and technology. At the same time, the physical and institutional infrastructure of the LDCs, as well as their human resources, had continued to deteriorate because of inadequate investment. It could therefore be stated that the economic transformation of the LDCs had been too slow to allow for a decisive turnaround in their situation that would facilitate their integration into the world economy, an objective contained in the Programme of Action. Yet many LDCs were endowed with abundant natural resources and in some cases offered cost-effective opportunities for investment.

120. Notwithstanding those difficulties, the LDCs as a group were entering the new millennium with optimism and gratitude for the solidarity shown by their major development partners and all developing countries. They also appreciated the excellent work carried out by the United Nations, with UNCTAD as the focal point for activities on behalf of the LDCs. At the same time, they recognized the positive and concrete contribution represented by the adoption of measures such as those provided for under the Integrated Framework for Trade-Related Technical Assistance Activities, adopted by WTO in support of trade and trade-related activities in the LDCs.

121. In order to support those initiatives and implement them fully, other measures needed to be undertaken with regard to market access. In that connection, his delegation urged the Third Ministerial Meeting of WTO, to be held in Seattle, to take concrete action in the areas of guaranteed and duty-free market access and full and effective implementation of the Marrakech Declaration and ministerial decisions on measures in favour of the LDCs, and to accord those countries special and differential treatment as an integral part of the multilateral trading system.

122. His delegation expressed satisfaction at the Third Conference preparatory activities held so far and applauded the contribution made by the Government of South Africa, UNCTAD and UNDP in hosting a trade meeting of the LDCs in Sun City. His delegation also welcomed the offer of the European Union to host the Third Conference in Brussels in 2001. The preparatory process for that meeting should continue to be comprehensive and should involve all stakeholders.

123. **Ms. Onoh** (Nigeria), after endorsing the statement made by the representative of Guyana on behalf of the Group of 77 and China, said that the laudable intentions of the Paris Declaration had yet to materialize for the least developed countries, despite the efforts of UNCTAD, other United Nations bodies and the LDCs themselves. That situation could be traced back to the meagre ODA provided by the international community and the lack of market access, debt relief and other measures. ODA had been declining steadily and was now at its lowest level. Without adequate funds, no amount of structural adjustment would yield the necessary results. In general, most of the LDCs remained commodity-dependent, and commodity prices had fallen in recent years, so that their revenues had diminished further. Not surprisingly, therefore, human resources development, a prerequisite for development, had suffered. It should be kept in mind that the training of any single generation took at least 20 years and that all policies aimed at improving human resources development must take that into account.

124. Another factor that should be considered was the effect of the heavy debt overhang on the economies of the LDCs. While the HIPC Debt Initiative was welcome, its benefits were still pending. Even with the enhanced HIPC initiatives, the eligibility criteria were still too complicated, and the requirements were not flexible enough for many countries in dire need to be able to qualify for them.

125. It was well known that all the LDCs were in fact net exporters of capital in the form of debt servicing and also as a result of the importation of manufactured goods that were priced exorbitantly as compared with low-priced commodity exports. Such an exploitative and unequal relationship could not last indefinitely. In addition, it should be noted that in 1997 10 countries had received approximately 75 per cent of all foreign direct investment in developing countries, while in the case of Africa, official financial inflows were still larger than private flows, which did not help to improve the situation.

126. Market access for the LDCs was another area that must be redressed. The issue had been discussed extensively during the briefing given by the IMF Board of Governors on 28 October 1999. It was clear that a concerted effort was needed to effect meaningful change in the status of the LDCs. Everyone knew what steps were needed to eradicate poverty. Nevertheless, the initial target set by the United Nations of eradicating poverty by 2006 appeared to be increasingly unreachable, as there were more poor people in the world currently than when the Programme of Action had been adopted. Instead of attempting to correct the situation, the target of poverty eradication had simply been changed to one of poverty reduction by 2015. That was a reflection of the lack of collective will on the part of the international community to help the neediest.

The meeting rose at 6.35 p.m.